

House Study Bill 198

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to disaster recovery by providing for historic
2 preservation tax credits.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1726XL 83
5 tw/mg:sc/5

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1 1 Section 1. Section 404A.4, subsection 4, Code 2009, is
1 2 amended to read as follows:
1 3 4. a. The total amount of tax credits that may be
1 4 approved for a fiscal year under this chapter shall not exceed
1 5 ten million dollars in the fiscal year beginning July 1, 2007,
1 6 fifteen million dollars in the fiscal year beginning July 1,
1 7 2008, and twenty forty million dollars in the each fiscal year
1 8 for the fiscal period beginning July 1, 2009, and ending June
1 9 30, 2013, and twenty million dollars each fiscal year
1 10 thereafter.

1 11 b. Of the first twenty million dollars in tax credits
1 12 approved for a fiscal year under this chapter, ten percent of
1 13 the dollar amount of tax credits shall be allocated for
1 14 purposes of new projects with qualified costs of five hundred
1 15 thousand dollars or less, and forty percent of the dollar
1 16 amount of tax credits shall be allocated for purposes of new
1 17 projects located in cultural and entertainment districts
1 18 certified pursuant to section 303.3B or identified in Iowa
1 19 great places agreements developed pursuant to section 303.3C.
1 20 Any of the tax credits allocated for projects located in
1 21 certified cultural and entertainment districts or identified
1 22 in Iowa great places agreements and for projects with a cost
1 23 of five hundred thousand dollars or less that are not reserved
1 24 during a fiscal year shall be applied to reserved tax credits
1 25 issued in accordance with section 404A.3 in order of original
1 26 reservation.

1 27 c. Of the remaining amount of tax credits approved for
1 28 each fiscal year of the fiscal period beginning July 1, 2009,
1 29 and ending June 30, 2013, after applying paragraph "b", one
1 30 hundred percent of the dollar amount of tax credits shall be
1 31 allocated for purposes of projects that are undertaken in
1 32 response to natural disasters occurring in calendar year 2008.
1 33 Projects approved for a tax credit pursuant to this paragraph
1 34 shall be located in an area declared a disaster area in
1 35 calendar year 2008 by the governor or by a federal official,
2 1 shall have sustained damage as a result of a natural disaster
2 2 occurring in calendar year 2008, and shall either have been
2 3 approved by the federal emergency management agency for
2 4 assistance or have executed loan documents for a disaster loan
2 5 from an eligible lender.

2 6 (1) For purposes of this paragraph, "eligible lender"
2 7 means an entity that provides disaster recovery loans to
2 8 businesses. "Eligible lender" includes but is not limited to
2 9 the United States small business administration, a financial
2 10 institution, an economic development organization, a rural
2 11 electric or telephone cooperative that has established a
2 12 revolving loan fund or an intermediary relending program with
2 13 either the federal economic development administration or the
2 14 United States department of agriculture.

2 15 (2) This paragraph "c" is repealed on June 30, 2013.

2 16 d. The department of cultural affairs shall establish by
2 17 rule the procedures for the application, review, selection,
2 18 and awarding of certifications of completion. The departments
2 19 of cultural affairs and revenue shall each adopt rules to
2 20 jointly administer this subsection and shall provide by rule

2 21 for the method to be used to determine for which fiscal year
2 22 the tax credits are available. With the exception of tax
2 23 credits issued pursuant to contracts entered into prior to
2 24 July 1, 2007, tax credits shall not be reserved for more than
2 25 three years.

2 26 EXPLANATION

2 27 This bill relates to disaster recovery by providing for
2 28 historic preservation tax credits.

2 29 The bill authorizes an additional \$20 million in historic
2 30 preservation and cultural and entertainment district tax
2 31 credits each fiscal year for the fiscal period beginning July
2 32 1, 2009, and ending June 30, 2013. The additional tax credits
2 33 are authorized for projects that would otherwise meet the
2 34 requirements for a tax credit and which also meet all of the
2 35 following requirements: (1) the rehabilitation project must
3 1 be located in an area declared a disaster area by the governor
3 2 or by a federal official and must have sustained damage as a
3 3 result of a natural disaster occurring in 2008; (2) the
3 4 taxpayer applying for the tax credit must either have been
3 5 approved by the federal emergency management agency for
3 6 assistance or have executed loan documents for a disaster loan
3 7 from an entity that provides disaster recovery loans to
3 8 businesses. The additional credit amounts are not available
3 9 after June 30, 2013, and the provision governing their
3 10 issuance is repealed on that date.

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3 12 tw/mg:sc/5.2